

**IN UNITED STATES DISTRICT COURT  
FOR NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**CHARLES H. MERCHANT, SR. and  
SOUTHERN USA RESOURCES, INC.,**

**Defendants**

**Civil Action File No.**

**1:13-CV-\_\_\_\_\_**

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

The plaintiff, Securities and Exchange Commission (“Commission”), files this Complaint and alleges the following:

**SUMMARY**

1. In 2012, defendant Southern USA Resources, Inc. (“Southern USA”), a company purportedly focused on the exploitation of mineral mining rights, and defendant Charles H. Merchant, Sr. (“Merchant”), the company’s CEO, CFO, president, secretary, treasurer and director, filed materially false reports with the Commission that misrepresented the value of the company’s land. During 2012, Merchant also filed with the Commission certifications that contained false

statements about the company's internal controls and his understanding of those controls.

2. Southern USA is currently delinquent with respect to its 2012 Form 10-K and its two most recent Forms 10-Q. Defendant Merchant has resigned his CEO and CFO positions with no successors named, and the company's outside auditor also has resigned – none of which has been disclosed by Southern USA in a Form 8-K.

### **VIOLATIONS**

3. Defendant Southern USA by virtue of its conduct, directly or indirectly, has engaged in and unless enjoined, will engage in violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§78j(b), 78m(a), 78m(b)(2)(A) and 78m(b)(2)(B)] and Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder [17 C.F.R. 240.10b-5, 240.13a-1, 240.13a-11, 240.13a-13 and 240.a-15].

4. Defendant Merchant by virtue of his conduct, directly or indirectly, has engaged in and unless enjoined, will engage in violations of Sections 10(b) and 13(b)(5) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78m(b)(5)] and Rules 10b-5, 13a-14 and 13b2-1 thereunder [17 C.F.R. 240.10b-5, 240.13a-14 and 240.13b2-1]. Further, Merchant also aided and abetted defendant Southern USA's violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and

Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder; and is liable as a “control person” under Section 20(a) of the Exchange Act for defendant Southern USA’s violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder.

### **JURISDICTION AND VENUE**

5. The Commission brings this action pursuant to Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. §§ 78u(d)-(e)] to enjoin the defendants from engaging in the transactions, acts, practices and courses of business alleged in this Complaint, and transactions, acts, practices and courses of business of similar purport and object, for disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties. The Commission also seeks an Officer and Director Bar against Merchant and a bar against his participation in offerings of penny stock.

6. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. 78u(d), 78u(e) and 78aa].

7. The Defendants, directly and indirectly, have made use of the mails, and the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

8. Venue lies in this Court pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa], because certain of the transactions, acts, practices and courses of

business constituting violations of the Exchange Act have occurred within the Northern District of Georgia, in that numerous investors in the scheme and potential investors who were solicited by the defendants reside within the Northern District of Georgia.

### **DEFENDANTS**

9. Defendant Southern USA Resources, Inc. is a Delaware corporation headquartered in Ashland, Alabama. Southern USA was originally incorporated on October 31, 2006 as Lodestar Mining, Inc. Lodestar was subject to the reporting requirements of Section 15(d) of the Exchange Act from March 10, 2008 until January 1, 2009, when its reporting obligations were automatically suspended based on the small number of record holders of its common stock. Southern USA (then named Lodestar) was then a voluntary filer until its Form 8-A registration statement became effective on July 9, 2012, at which point it became subject to the reporting requirements of Section 13(a) of the Exchange Act and related rules thereunder.

10. Southern USA's last-filed periodic report was the Form 10-Q for the period ended September 30, 2012.

11. Defendant Charles H. Merchant, Sr., age 61, is a resident of Anniston, Alabama, and was appointed as director and the CEO, CFO, president, secretary,

and treasurer of Southern USA in April 2012. Previously, Merchant served as CEO and director of Novastar Resources, Ltd. (now Lightbridge Corp.)

## **FACTS**

### **A. Southern USA's Corporate Organization and Control**

12. On January 29, 2010, Lodestar entered into a reverse merger with Atlantic Green. Atlantic Green's purported business strategy was to "develop utility-scale solar energy generation projects in the Mid-Atlantic United States."

13. On February 27, 2012, Atlantic Green entered into a series of contracts with Merchant and other unrelated individuals and entities to acquire real property located in Alabama and the rights to mine that property.

14. On April 23, 2012, Atlantic Green effectuated a reverse stock split and changed its name to Southern USA Resources, Inc. Thereafter, the company changed its business strategy to "the exploitation of mineral mining rights."

15. On April 25, 2012, defendant Merchant was appointed director of Southern USA.

16. On April 26, 2012, Merchant was appointed CEO, CFO, president, secretary, and treasurer of Southern USA, and all of the other officers and directors of what had been Atlantic Green resigned their positions.

17. On April 27, 2012, Merchant entered into an agreement with Southern USA, pursuant to which he contributed certain mining equipment to the company

in exchange for the issuance to him personally of 29 million shares of common stock, thereby becoming the company's majority shareholder with control of over 99% of the total shares outstanding.

18. Merchant signed all Forms 10-Q and 8-K and related certifications that Southern USA filed with the Commission between May 1, 2012 and March 6, 2013.

19. Merchant had no accounting training. He agreed to become the CEO and CFO of a publicly-traded company because he wanted funding for his gold mining project and was told by the investors who supplied the initial financing that they would invest in that project only through a public company so that they could eventually sell shares of the company in the open market.

**B. False Statements in 2012 Public Filings**

20. On May 10, 2012, Defendant Southern USA filed a Form 8-A to register its common stock with the Commission pursuant to Section 12(g) of the Exchange Act. The Form 8-A became effective by operation of law on or about July 9, 2012, and, since that date, Southern USA has been subject to the reporting requirements of Section 13(a) of the Exchange Act and related rules thereunder.

21. The quarterly reports on form 10-Q filed by Defendant Southern USA for the periods ended June 30, 2012 and September 30, 2012 respectively (the

“Quarterly Reports”) contained inaccurate statements concerning the company’s real property, as well as its disclosure controls and internal controls procedures.

22. Following the reverse stock split in April 2012, Southern USA’s only fixed assets were the real property located in Alabama and the mining equipment which the company acquired from Defendant Merchant in exchange for shares of common stock. The Quarterly Reports understated the acreage of the property owned by the company by approximately 80%, thereby causing the value per acre to be substantially overstated.

23. As the company purported to be a start-up gold mining entity and had never reported any revenues, the statements regarding the acquisition of mineable land and mining equipment were material components of the Quarterly Reports and were the statements that reasonable investors would consider significant.

24. Merchant signed Quarterly Reports that included incorrect statements regarding the amount of property held by the company. Merchant was aware of the actual amount of property owned by the company and either knowingly signed the false reports or failed to read the reports before signing them.

25. The certifications that Merchant signed as the CEO and CFO of Southern USA in connection with the Quarterly Reports pursuant to Rule 13a-14(a) also contained numerous inaccurate statements. The certifications stated that: (i) the Quarterly Reports were reviewed by Merchant and did not contain

false or misleading statements of material fact; (ii) Merchant had designed or caused to be designed disclosure controls and procedures; (iii) Merchant had designed or caused to be designed internal control over financial reporting sufficient to provide reasonable assurance regarding the reliability of financial statements; and (iv) Merchant had evaluated the effectiveness of Southern USA's disclosure controls and procedures.

26. Contrary to statements in the certifications, Merchant essentially had no knowledge of the company's internal accounting controls. Merchant's certifications on the company's behalf were false in that he did nothing to design any internal accounting controls or evaluate the effectiveness of the company's disclosure controls.

**C. Southern USA Has Failed to File Required Reports with the Commission**

27. On March 4, 2013, the public accounting firm that had previously been engaged to audit Southern USA's financial statements, resigned as the company's auditor.

28. On March 12, 2013, Merchant resigned as CEO and CFO of Southern USA and appointed an investor as special advisor to the company.

29. Southern USA never filed a report with the Commission announcing the resignation of its auditors or the resignation of Merchant.

30. Southern USA's last-filed periodic report was the Form 10-Q for the period ended September 30, 2012. The company, therefore, is delinquent with respect to its Form 10-K for the year ended December 31, 2012 and its Forms 10-Q for the periods ended March 31, 2013 and June 30, 2013

**D. Promotional Campaign and Share Issuances**

31. As of August 16, 2012, there were 29,043,527 shares of Southern USA common stock outstanding, but fewer than 12,000 shares were unrestricted (essentially free trading). Merchant subsequently took steps, outlined below, as a part of the scheme involving the fraudulent Quarterly Reports, to effect a distribution of its shares to the public.

32. From October 2012 through January 2013, more than 4.3 million purportedly unrestricted shares of Southern USA common stock were issued. These share issuances were purportedly derived from promissory notes that had been issued by Atlantic Green in October 2010 and February 2011, respectively, to various entities that were controlled by the investors who financed Southern USA.

33. The promissory notes contained provisions that granted the holders the option of converting the debt into shares of common stock of Southern USA at a conversion rate of \$0.04 per share.

34. In order to effect the issuance of un-legendged (free trading) stock certificates, Southern USA's corporate counsel issued to the company's transfer

agent, legal opinion letters that opined that the resale of the shares was exempt from the registration requirements of the Securities Act of 1933. The opinion letters further stated that the certificates could be issued without any restrictive legends.

35. In reliance on these opinions, the transfer agent issued un-legended stock certificates representing 4,873,475 purportedly unrestricted shares of Southern USA between October 26, 2012 and February 26, 2013 to entities controlled by the investors who had financed Southern USA.

36. Merchant signed the forms that facilitated the issuance of the shares.

37. On January 22, 2013, Defendant Merchant sold 3,758,300 shares of Southern USA common stock in four separate private transactions to purchasers associated with Southern USA's corporate counsel, including the corporate counsel's wife and two employees of the corporate counsel.

38. Meanwhile, between December 31, 2012 and February 5, 2013, at the behest of and funded by the investors who had financed Southern USA, Defendant Southern USA issued a series of press releases touting the company's purported gold mining activities in Alabama, including descriptions of the company's preparations for gold production and its mining of purportedly gold-bearing ore. Merchant directly participated in the drafting of the company's press releases.

**E. Trading Suspension and Subsequent Corporate Events**

39. On March 1, 2013, the Commission suspended trading in the securities of Southern USA under Section 12(k) of the Exchange Act.

40. On March 4, 2013, the public accounting firm that had previously been engaged to audit Southern USA's financial statements, resigned as the company's auditor.

41. On March 6, 2013, Southern USA filed with the Commission a Form 8-K, announcing that the company had "encountered difficulties in its gold production process" and that the company had "decided to temporarily cease its production activities until it can make the necessary adjustments to its processes and equipment, and/or add additional equipment, which it believes will allow it to produce commercially viable quantities of gold."

42. The company also announced that, as a result of these developments, "any revenue forecasts can no longer be relied upon." The 8-K was silent with respect to the resignation of the public accounting firm that had been engaged to audit Southern USA's financial statements.

43. On March 12, 2013, Merchant resigned as CEO and CFO of Southern USA.

44. To date, Southern USA has not filed a Form 8-K with the Commission disclosing Merchant's resignation as CEO and CFO. Merchant remains the sole director and majority shareholder of Southern USA.

**COUNT I--FRAUD**

**Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)]  
and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]**

45. Paragraphs 1 through 44 are hereby re-alleged and are incorporated herein by reference.

46. In 2012, Defendants Southern USA and Merchant, in connection with the purchase and sale of securities described herein, by the use of the means and instrumentalities of interstate commerce and by use of the mails, directly and indirectly:

- a) employed devices, schemes, and artifices to defraud;
- b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c) engaged in acts, practices, and courses of business which would and did operate as a fraud and deceit upon the purchasers of such securities, all as more particularly described above.

47. Defendants Southern USA and Merchant knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud,

made untrue statements of material facts and omitted to state material facts, and engaged in fraudulent acts, practices and courses of business. In engaging in such conduct, the Defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud or with a severe reckless disregard for the truth.

48. By reason of the foregoing, Defendants Southern USA and Merchant, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

## **COUNT II—REPORTING PROVISIONS VIOLATIONS**

### **Southern USA's Violations of Section 13(a) of the Exchange Act [15 U.S.C. §§78m(a)] and Rules 13a-1, 13a-11, 13a-13 and 13a-15 thereunder [17 C.F.R. 240.13a-1, 240.13a-11, 240.13a-13 and 240.13a-15], aided and abetted by Merchant**

49. Paragraphs 1 through 44 are hereby re-alleged and are incorporated herein by reference.

50. In 2012 and 2013, Defendant Southern USA violated, and unless enjoined will continue to violate, Section 13(a) and Rules 13a-1 and 13a-13 thereunder, by filing annual reports and quarterly reports that contained financial statements that contained material misstatements, as described above.

51. Southern USA also violated, and unless enjoined will continue to violate, Section 13(a) and Rule 13a-11, by failing to file reports disclosing the departure of the registrant's principal executive officer or principal financial officer

and the resignation of an independent accountant who was previously engaged as the principal accountant to audit the registrant's financial statements.

52. Southern USA also violated, and unless enjoined will continue to violate, Section 13(a) and Rule 13a-1, by failing to file timely annual reports (Form 10-K), and violated Section 13(a) and Rule 13a-13 by failing timely to file quarterly reports (Form 10-Q).

53. Southern USA also violated, and unless enjoined will continue to violate, Section 13(a) and Rule 13a-15 when Defendant Merchant made false Sarbanes-Oxley certifications on behalf of Defendant Southern USA.

54. Merchant knowingly or recklessly provided substantial assistance with these violations as discussed above.

55. By reason of the foregoing, Merchant aided and abetted Southern USA's violations of Section 13(a) of the Exchange Act [15 U.S.C. 78m(a)] and Rules 13a-1, 13a-11, 13a-13 and 13a-15 thereunder [17 C.F.R. 240.13a-1, 240.13a-11, 240.13a-13 and 13a-15] and unless enjoined will continue to aid and abet violations of Section 13(a) of the Exchange Act [15 U.S.C. 78m(a)] and Rules 13a-1, 13a-11, 13a-13 and 13a-15 thereunder [17 C.F.R. 240.13a-1, 240.13a-11, 240.13a-13 and 240.13a-15].

### **COUNT III**

**Southern USA's Direct Violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. 78m(b)(2)(A) and 78m(b)(2)(B)][17 C.F.R. § 240.13b2-1], And Merchant's Aiding And Abetting of Those Violations, And Merchant's Direct Violation of Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1]**

56. Paragraphs 1 through 44 are hereby realleged and are incorporated herein by reference.

57. In 2012 and 2013, Southern USA violated Section 13(b)(2)(A) of the Exchange Act by failing to make and keep books, records, and accounts that accurately, and in reasonable detail, reflected its true financial condition, including but not limited to, inaccurately recording the real estate assets on the company's books and records.

58. Moreover, Southern USA lacked any internal financial controls, and thereby directly violated Section 13(b)(2)(B) of the Exchange Act, and those violations were aided and abetted by Merchant.

59. In 2012 and 2013, Southern USA failed, as described above, to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (a) transactions were executed in accordance with management's general or specific authorization, (b) transactions were recorded as necessary (i) to permit preparation of financial statements in conformity with GAAP or any other criteria applicable to such statements, and (ii) to maintain accountability for assets,

(c) access to its assets was permitted only in accordance with management's general or specific authorization, and (d) the recorded accountability for its assets was compared with its existing assets at reasonable intervals and appropriate action was taken with respect to any differences.

60. By reason of the foregoing, Southern USA directly violated, and unless enjoined will continue to violate, Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

61. In 2012 and 2013, Merchant knowingly or recklessly provided substantial assistance to these violations of Southern USA by participating in the recording of those assets, when he knew, or was reckless in not knowing, that the values ascribed those assets were substantially misstated.

62. As a result, Merchant aided and abetted, and unless enjoined will continue to aid and abet, Southern USA's violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. 78m(b)(2)(A) and 78m(b)(2)(B)].

63. Merchant also directly violated, and unless enjoined will continue to violate, Rule 13b2-1 of the Exchange Act. That rule prohibits any person from directly or indirectly falsifying or causing the falsification of any books, records or accounts required by Section 13(b)(2)(A). Merchant violated that rule when he falsified Southern USA's books, records and accounts by improperly recording the values of its real estate and other assets.

64. Unless restrained and enjoined, the defendants will continue to violate and cause violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. 78m(b)(2)(A) and 78m(b)(2)(B)] and Merchant will continue to violate and cause violations of Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1].

#### **COUNT IV**

##### **Defendant Merchant's Violation of Rule 13a-14**

65. Paragraphs 1 through 44 are hereby realleged and are incorporated herein by reference.

66. Exchange Act Rule 13a-14 mandates that an issuer's principal executive officer and principal financial officer certify to the best of his or her knowledge that there are no untrue statements of material fact or omissions of material fact in the periodic reports.

67. Based upon the facts set forth above, Merchant violated , and unless enjoined will continue to violate, Rule 13a-14, by knowingly making untrue statements in Southern USA's periodic reports filed with the Commission.

#### **COUNT V**

##### **Merchant's Violations of Section 13(b)(5) of the Exchange Act [15 U.S.C. 78m(b)(5)]**

68. Paragraphs 1 through 44 are hereby realleged and are incorporated herein by reference.

69. In 2012 and 2013, while acting as an officer and/or director of Southern USA, Defendant Merchant, based upon the facts set forth above, violated Section 13(b)(5) of the Exchange Act when he knowingly circumvented or knowingly failed to implement a system of internal accounting controls and/or knowingly falsified the books, records or accounts of Southern USA, and unless restrained and enjoined, he will continue to violate and cause violations of Section 13(b)(5) of the Exchange Act [15 U.S.C. 78m(b)(5)].

#### **COUNT VI—CONTROL PERSON LIABILITY**

##### **Control Person Violations by Merchant of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(b)(2)(A) and 78m(b)(2)(B)] and Rules 10b-5(b), 13a-1, 13a-11, 13a-13, and 13a-15 thereunder [17 C.F.R. §§ 240.10b-5, 240.13a-1, 240.13a-11, 240.13a-13 and 240.13a-15], Pursuant to Section 20(a) of the Exchange Act**

70. Paragraphs 1 through 44 are hereby re-alleged and are incorporated herein by reference.

71. As the person who, directly or indirectly, controlled Southern USA during the relevant period, Merchant is liable jointly and severally and to the same extent as the entity that he controlled for the violations of the antifraud provisions and the records violations committed by that entity.

72. As the control person of Southern USA, Merchant directly or indirectly induced the act or acts that constituted violations by Southern USA of the antifraud provisions of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-

5(b) thereunder [17 C.F.R. § 240.10b-5] by knowingly, intentionally, and/or recklessly making untrue statements of material facts and omitting to state material facts.

73. As the control person of Southern USA, Merchant directly or indirectly induced the act or acts which constituted violations by Southern USA of the records provisions of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(a), 78m(b)(2)(A), 78m(b)(2)(B)] and Rules 13a-1, 13a-11, 13a-13, and 13a-15 thereunder [17 C.F.R. § 240.10b-5, 240.13a-1, 240.13a-11, 240.13a-13 and 240.13a-15] by failing to file periodic reports as required, by failing to have an internal accounting controls and by knowingly, intentionally, and/or recklessly making untrue statements of material facts in public filing of the company, as set forth in this complaint.

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff Commission respectfully prays for:

#### **I.**

Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that the Defendants named herein committed the violations alleged herein.

## **II.**

A permanent injunction enjoining Southern USA, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with it who receive actual notice of the order of injunction, by personal service or otherwise from violating, directly or indirectly, Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder.

## **III.**

A permanent injunction enjoining Merchant, his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of the order of injunction, by personal service or otherwise, whether as a principal or as an aider and abettor, from violating, directly or indirectly, Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13a-14 and 13b2-1 thereunder; from aiding and abetting Southern USA’s violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder; and that he is liable as a “control person” under Section 20(a) of the Exchange Act for Southern USA’s violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, 13a-13, and 13a-15 thereunder.

#### **IV.**

An order directing Southern USA and Merchant to pay disgorgement of all ill-gotten gains or unjust enrichment and to pay prejudgment interest on the amount ordered to be disgorged, to effect the remedial purposes of the federal securities laws.

#### **V.**

An order pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] imposing civil penalties against Southern USA and Merchant.

#### **VI.**

An Order pursuant to Section 20(d) of the Exchange Act barring Merchant from serving as an officer or director of a public company.

#### **VII.**

An Order pursuant to Section 21(d) of the Exchange Act and pursuant to the inherent equitable powers of this Court, which bars Defendant Merchant from participating in any offering of a penny stock, including acting as a promoter, finder, consultant, agent, or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

**VIII.**

Issue an Order that retains jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may have been entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

**IX.**

Grant such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

RESPECTFULLY SUBMITTED,

/s/Edward G. Sullivan  
Edward G. Sullivan  
Senior Trial Counsel  
Georgia Bar No. 691140

/s/Elizabeth P. Skola  
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